

**Award of
Durable Medical Equipment Medicare Administrative Contractor
(DME MAC)
Contract for Jurisdiction D**

- On September 10, 2015, the Centers for Medicare & Medicaid Services (CMS) awarded Noridian Healthcare Solutions, LLC (Noridian), a new contract for the administration of Medicare Fee-for-Service claims for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) in Jurisdiction D.
- The Jurisdiction D DME MAC serves Medicare beneficiaries who reside in the states and U.S. Territories of Alaska, Arizona, California, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, American Samoa, Guam, and Northern Mariana Islands. The states and U.S. Territories are depicted in gray shading in the map below.



- Noridian, as the incumbent DME MAC for Jurisdiction D, will continue to process Medicare DMEPOS claims under its existing DME MAC contract until the contract transition period is completed. Under the new contract, Noridian will continue to operate from its Fargo, North Dakota, headquarters.
- Jurisdiction D includes over 8.5 million Medicare Fee-for-Service beneficiaries. The Jurisdiction D DME MAC will serve approximately 20,000 Medicare DMEPOS suppliers. This jurisdiction comprises just over 20% of the overall national Medicare Fee-for-Service DMEPOS claims volume.
- The Jurisdiction D DME MAC contract includes a base year and four option years, for a maximum duration of five years. The contract is a “cost plus award fee” contract; the

award fee will be earned only if the contractor exceeds the base requirements of the contract.

- Inclusive of all options, the new DME MAC Jurisdiction D contract has a total estimated value of approximately \$137.7 million over five years.
- As Noridian is the incumbent contractor for this DME MAC jurisdiction, CMS anticipates that implementation of the new contract will go smoothly, with few, if any, service issues for Medicare beneficiaries and suppliers.
- Under the new contract, Noridian will continue to participate in the Medicare Pilot Project for Asbestos Related Disease (MPPARD) program, which provides innovative approaches to furnishing comprehensive, coordinated, and cost-effective care for persons with asbestos-related illness that reside in Libby, Montana and surrounding areas.
- As a new contract requirement, Noridian will also process DMEPOS transactions on behalf of the Department of Veterans Affairs (VA), allowing the VA to send a payment determination notice (based on Medicare standards) to third party insurers. This notice will enable these insurers to calculate payment amounts that they owe to the VA. This work will be enabled by an inter-agency agreement between the VA and CMS.
- CMS has stringent standards for contract performance on the MAC contracts. CMS measures performance through a variety of processes, including on-site oversight, data reviews and protocol-driven quality assurance reviews, as well as independent audits. As CMS continues to use the competitive process to select claims administration contractors, past performance and technical capability are major evaluation factors.
- Questions about the contract award should be directed to Louis Anderson, in CMS' Office of Acquisition and Grants Management. Mr. Anderson may be reached at 410-786-5564 or at Louis.Anderson@cms.hhs.gov.